



**The Comptroller General
of the United States**

Washington, D.C. 20548

Decision

Matter of: Lanier Business Products, Inc.

File: B-223675

Date: November 12, 1986

DIGEST

1. An agency ordering from the Federal Supply Schedule must place an order with the lowest priced supplier consistent with its minimum needs unless it justifies purchasing a higher priced product. Such a justification may be based on features not identified in a request for quotations.
2. Purchase of other than the lowest priced dictation equipment from the Federal Supply Schedule is justified where the equipment selected includes features which allow it to be used more efficiently.

DECISION

Lanier Business Products, Inc., protests issuance of a delivery order to Dictaphone Corporation under request for quotations (RFQ) No. N61337-86-Q-0477 issued by the Department of the Navy. The order, placed under Dictaphone's General Services Administration (GSA) Federal Supply Schedule (FSS) contract, is for a central dictation system for the Naval Hospital in Beaufort, South Carolina. Lanier contends that the equipment it offered meets the RFQ requirements at a lower price than Dictaphone's equipment and that it, therefore, should have received the order.

The protest is denied.

The RFQ was issued to vendors on the mandatory schedule for central dictation systems. Quotations were requested for Dictaphone or equal equipment. Only Lanier and Dictaphone responded.

Lanier quoted a schedule price of \$27,291.75, compared to Dictaphone's price of \$28,245. Nonetheless, in a letter dated June 23, 1986, the head of the hospital's Patient Administration Department justified purchase of the Dictaphone equipment based on a number of unique features

037393

that allow easier and more efficient use of a dictation system. The hospital also says that Dictaphone's recorders, unlike Lanier's, will fit into the existing cabinets in the transcription room.

The Navy placed the order with Dictaphone on July 10. Lanier protested to this Office on July 18.

Lanier argues that it was entitled to award since its quotation met the solicitation's requirements at a lower price than Dictaphone's. Lanier contends that many of the Navy's reasons for selecting Dictaphone were not listed as RFQ requirements, or were based on subjective factors that do not justify the additional cost.

An agency ordering from an FSS contract is required to order from the lowest priced supplier consistent with its minimum needs unless it prepares an appropriate justification for purchase from a higher priced supplier. Federal Acquisition Regulation (FAR), 48 C.F.R. § 8.405-1(a) (1985); National Micrographics Systems, Inc., et al., B-220582, et al., Jan. 9, 1986, 86-1 CPD ¶ 22. Contrary to Lanier's contention, however, that justification may include considerations other than those identified in the RFQ. Vendors responding to an RFQ for equipment on the FSS do not submit offers that define exactly what the vendor would provide at what price; that is already defined by its schedule contract. Rather, an RFQ permits the government to obtain vendor assistance in identifying equipment on the FSS that the vendor thinks should be considered. Dictaphone Corp., 60 Comp. Gen. 260 (1981), 81-1 CPD ¶ 104. Since the RFQ is intended merely to identify suitable equipment, evaluation of the equipment is not restricted to a determination of conformance with specifications set out in the RFP. Lanier Business Products, Inc., B-212072, Jan. 23, 1984, 84-1 CPD ¶ 94.

The Navy has provided a number of reasons justifying placing its order with Dictaphone. Although Lanier disputes some of these reasons, the Navy has provided others, undisputed by Lanier, which adequately support the higher priced purchase. For instance, Lanier does not dispute the Navy's contention that Dictaphone's management terminal, which has more dedicated function keys, a larger display screen with larger characters and a detachable keyboard, is easier to use.

Lanier also has not responded to the Navy's argument that Dictaphone's transcription terminals provide more useful information on priority transcription and transcription backlog. Finally, Lanier does not refute the Navy's contention that Dictaphone's recorders are smaller than Lanier's and therefore will allow the use of existing cabinets and take up less space in the hospital transcription room.

We conclude that the Navy's decision to purchase from Dictaphone was proper. Although Lanier contends that the Navy's selection was based on personal performance, it is clear from the record that Dictaphone's system has a number of features not present in Lanier's system. These features relate to the efficiency and ease of use of the system and the compatibility of the system with the hospital's existing space and cabinets, and are sufficient to justify the purchase of the slightly higher priced Dictaphone system. See Lanier Business Products, Inc., B-212072, supra.

Finally, while Lanier contends that the Navy justified the higher priced purchase after the July 10 award, the record includes a letter dated June 23 from the head of the hospital's Patient Administration Department explaining the hospital's preference for Dictaphone's system.

The protest is denied.

for Seymour Efor
Harry R. Van Cleve
General Counsel